

Milford Wayne Donaldson,
Chairman

Clement A. Price, Ph.D.
Vice Chairman

John M. Fowler
Executive Director



Preserving America's Heritage

April 15, 2013

The Honorable Sam Johnson
1211 Longworth House Office Building
United States House of Representatives
Washington, DC 20515

The Honorable Bill Pascrell
2370 Russell House Office Building
United States House of Representatives
Washington, DC 20515

REF: Federal Historic Rehabilitation Tax Credit

Dear Representatives Johnson and Pascrell:

As the Real Estate Tax Reform Working Group pursues its work, I would like to take this opportunity to commend to you an important tax incentive program that has an outstanding record of past success and great future potential to create jobs, grow the economy, and support community vitality – the federal historic rehabilitation tax credit, also known as the historic tax credit. Administered by the Department of the Interior and the Internal Revenue Service, this credit is provided to projects that rehabilitate income-producing historic buildings while maintaining their historic character. The Advisory Council on Historic Preservation (ACHP) wishes to express its full support for maintaining the historic tax credit as a component of a reformed tax code.

The ACHP is an independent federal agency that promotes the preservation, enhancement, and sustainable use of our nation's historic resources. Created by act of Congress in 1966, the ACHP is charged with advising the President and Congress on national historic preservation policy and specifically the impact of tax policies upon historic preservation. We consistently have encouraged measures to ensure the continued use of the historic tax credit as a valuable tool for integrating historic preservation and development investment, and for improving the economic vitality of America's communities. The credit has evolved to become one of the federal government's most successful initiatives to promote the preservation of historic properties and the revitalization of our nation's older cities and towns.

As a catalyst for private investment, the historic tax credit has had a substantial impact on communities. Since its inception in 1981, more than 38,700 tax credit projects have been approved, representing over \$106 billion in private investment. Tax credit use not only has preserved important historic resources, but has created nearly 2.4 million jobs, enhanced property values, increased the availability of affordable rental housing, removed blighted conditions, and promoted sustainable reuse of resources.

While the historic tax credit is helping to revitalize communities across the country, it is a particularly important tool for cities struggling to adapt to shrinking populations. A special Rightsizing Task Force recently created by the ACHP has seen how the federal rehabilitation tax credit plays a critical role in the revitalization of cities and their traditional neighborhoods. In each of the cities visited by the task force – Buffalo, Cleveland, Detroit, Newark, and Saginaw – local officials shared examples of tax credit projects that are helping to stabilize and reshape neighborhoods. Under the leadership of former Secretary of the

ADVISORY COUNCIL ON HISTORIC PRESERVATION

1100 Pennsylvania Avenue NW, Suite 803 ■ Washington, DC 20004
Phone: 202-606-8503 □ Fax: 202-606-8647 □ achp@achp.gov □ www.achp.gov

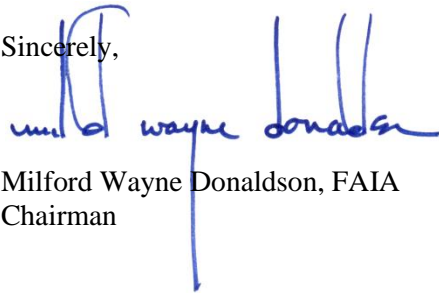
Interior Ken Salazar, the National Park Service recently developed a series of recommendations on how to further maximize use of the historic tax credit to promote economic development and community revitalization, especially in urban and economically depressed areas.

The success of the historic tax credit as a catalyst for community revitalization is reflected in recent legislative efforts to maintain and improve upon the credit. The Creating American Prosperity Through Preservation Act, which was introduced in the 112th Congress and is pending reintroduction in the current Congress, would build upon the success of the historic tax credit by making it easier to use, especially for non-profit organizations – which are often serving low-income areas – and for smaller projects designed to reinvigorate America's Main Streets.

As the country continues its economic recovery, the historic tax credit has a critically important role to play in restoring buildings and bringing renewed vitality to America's city centers and Main Street corridors. We respectfully request that you carefully consider the effectiveness, value, and reach of the historic tax credit, and its impact on American communities as you proceed with your assessment of tax code reform priorities. We are confident that your examination will conclude that this valuable tax credit is a cost-effective way to encourage private sector investment in our nation's cities and towns, building a strong future on the foundations of our past.

Please feel free to contact us if you have any questions on our position or if the ACHP can be of any assistance. Our Executive Director, John Fowler, can be reached at [REDACTED]

Sincerely,

A handwritten signature in blue ink that reads "Milford Wayne Donaldson". The signature is written in a cursive style with a long vertical line extending downwards from the end of the name.

Milford Wayne Donaldson, FAIA
Chairman